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FILED IN THE  
UNITED STATES DISTRICT COURT  
DISTRICT OF HAWAII

MAY 26 2006

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Attorneys for Plaintiff  
RELiance INSURANCE COMPANY  
(IN LIQUIDATION)

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF HAWAII

RELiance INSURANCE  
COMPANY  
(IN LIQUIDATION), a Pennsylvania  
corporation,

v. Plaintiff,

THE DOCTORS' COMPANY, a  
California corporation,

Defendant.

CIVIL CASE NO. CV 02-00159 HG-  
BMK

JOINT STIPULATION REGARDING  
SATISFACTION OF JUDGMENT;  
AND PROPOSED ORDER THEREON

Judge: Hon. Helen Gillmor

Judgment: February 13, 2004  
Affirmed: May 26, 2005

**JOINT STIPULATION REGARDING  
SATISFACTION OF JUDGMENT**

Plaintiff Reliance Insurance Company (in Liquidation) ("Reliance") and Defendant The Doctors' Company ("TDC"), by and through their respective undersigned counsel, hereby stipulate and agree as follows:

WHEREAS, on March 18, 2002, Reliance filed an action in this Court against TDC for express and equitable subrogation, equitable contribution, indemnity and declaratory relief.

WHEREAS, on September 25, 2003, this Court granted Reliance's Motion for Partial Summary Judgment as to its claim for express and equitable Subrogation and awarded Reliance \$2,000,000 in subrogation and its reasonable attorneys' fees and expenses.

WHEREAS, on February 13, 2004, this Court entered judgment in favor of Reliance in the amount of \$2,200,000, representing the \$2,000,000 disputed coverage amount and an award of \$200,000 for Reliance's attorneys' fees and expenses incurred in the litigation (collectively, the "Judgment").

WHEREAS, TDC appealed the Judgment.

WHEREAS, on May 26, 2005, the United States Court of Appeals for the Ninth Circuit affirmed this Court's Judgment.

WHEREAS, TDC filed a petition for rehearing and *en banc* review, which was denied on July 1, 2005.

WHEREAS, on November 8, 2005, Reliance filed a Motion to Satisfy Judgment and Enforce Supersedeas Bond.

WHEREAS, Reliance's Motion to Satisfy Judgment and Enforce Supersedeas Bond came on for hearing by this Court on April 10, 2006;

WHEREAS, at the April 10, 2006 hearing, the parties agreed that TDC shall immediately satisfy the Judgment by placing the sum of \$2,347,351.46, which represents the Judgment plus awarded attorneys' fees, and interest accrued on the Judgment into escrow by electronic transfer to a trust account of the law firm of Stradley Ronon.

WHEREAS, on April 10, 2006, the parties executed an Agreement of the Parties in the liquidation proceedings before the Commonwealth Court of Pennsylvania, whereby the parties agreed that the escrowed sums shall be initially placed into a trust account of the law firm of Stradley Ronon, and thereafter the monies shall be transferred to a joint escrow account of Stradley Ronon and Marshall, Dennehey, Warner, Coleman & Goggin, with Jane Foster, Esq. and Arthur W. Lefco, Esq. to serve jointly as escrow agents.

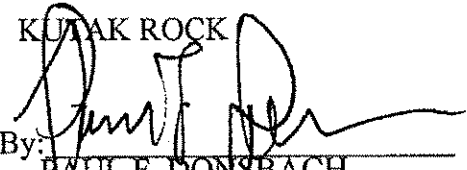
WHEREAS, on April 10, 2006, TDC placed into escrow, by electronic transfer to the trust account of the law firm of Stradley Ronon, the sum of \$2,347,351.46 which represents the Judgment plus the awarded attorneys' fees, and interest accrued on the Judgment as of that date.

WHEREAS, at the April 10, 2006 hearing, the parties agreed that immediately after TDC placed the Judgment amount into escrow in the manner agreed upon by the parties, this action shall be discontinued with prejudice.

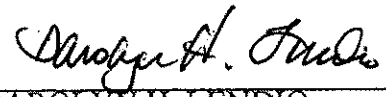
IT IS THEREFORE STIPULATED AND AGREED that the Judgment has been satisfied in the manner agreed upon by the parties.

IT IS FURTHER STIPULATED AND AGREED that TDC's satisfaction of the Judgment represents the conclusion of this action and its complete and final resolution with prejudice.

DATED: April 2, 2006

KUTAK ROCK  
By:   
PAUL F. DONSBACH  
CHRISTOPHER D. GLOS  
Attorneys for Plaintiff  
RELIANCE INSURANCE  
COMPANY (IN LIQUIDATION)

MAY - 5 2006  
DATED: April 5, 2006

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MACKINNON LLP  
By:   
DAROLYN H. LENDIO  
PHILIP W. MIYOSHI  
Attorneys for Defendant  
THE DOCTORS' COMPANY

MAY - 5 2006  
DATED: April ~~2~~, 2006

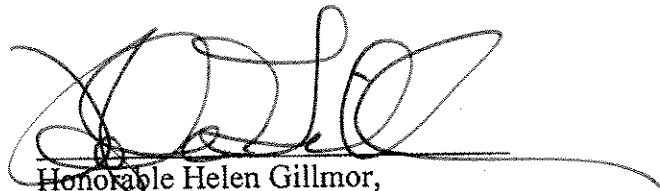
ROBBINS & ASSOCIATES

By: 

KENNETH S. ROBBINS  
LEIGHTON H. HARA  
WENDY M. YAMAMOTO  
Attorneys for Defendant  
THE DOCTORS' COMPANY

APPROVED AND SO ORDERED:

Dated: 5.25.06



Honorable Helen Gillmor,  
United States District Judge